

OFFICE OF THE STATE CONTROLLER
1998 CAFR FOOTNOTES WORKSHEET—UNIVERSITY
RESIDUAL EQUITY TRANSFERS AND CHANGES IN CONTRIBUTED CAPITAL
INSTRUCTIONS

GASB Fund No. All Funds
CAFR Footnote No. 17

FRU No. _____
University Name _____

During the year an agency will make transfers that affect fund equity, which are recorded either as **Residual Equity Transfers** or as **Changes in Contributed Capital**. These transfers can be made between the various fund types, between a fund type and the General Fixed Asset Account Group, or between a fund type or account group and an entity entirely outside the State government. The CAFR must disclose and classify each of these kinds of equity transfers.

Residual Equity Transfers are nonrecurring or nonroutine transfers of fund equity between funds—for example, contribution of enterprise fund or internal service fund capital by the General Fund, the subsequent return of all or part of such contribution to the General Fund, and transfers of residual balances of discontinued funds to the General Fund or a debt service fund.

The **Contributed Capital** account of a proprietary fund is defined as "permanent fund capital." *Increases in contributed capital* can result from such transactions as monetary transfers from other funds and "transfers" of fixed assets from the General Fixed Asset Account Group. *Decreases in contributed capital* can result from such transactions as the return of capital to the original contributing fund or the transfer of fixed assets acquired through contributed capital back to the General Fixed Asset Account Group.

Normally, a residual equity transfer out (in a governmental fund's operating statement) is offset by a residual equity transfer in or as an increase in contributed capital on the operating statement of a proprietary fund. However, contributed capital changes can occur between a proprietary fund and the General Fixed Asset Account Group. Transfers can also occur outside the State entity, where assets are donated either to the State or by the State to a private organization.

All residual equity transfers for governmental funds should be reported as additions to or deductions from the beginning fund balance. In proprietary funds, residual equity transfers out (on the governmental fund side) should be reported as **additions to contributed capital** and residual equity transfers in (on the governmental fund side) should be reported as **reductions of retained earnings** or as **reductions to contributed capital**, as appropriate in the circumstances.

In governmental funds, residual equity transfers of fund equity will not occur if the transfer is going to or coming from an agency fund. These transfers will be reflected as an operating transfer in the governmental fund. All governmental fund fixed assets are reported in the account group.

Example: There is a transfer out from a special revenue fund and the transfer in goes to an agency fund. This should be shown as an *operating expenditure out* in the special revenue fund, not as a residual equity transfer out.

NOTE: In recording residual equity transfers in the general ledger, use NCAS Account 4384AA for residual equity transfers in and NCAS Account 5384AA for residual equity transfers out.

Agency Action:

This agency had residual equity transfers during the year.	YES _____	NO _____
This agency had changes in contributed capital during the year.	YES _____	NO _____

If there are either **residual equity transfers** or **changes in contributed capital**, complete the following worksheet (page 12 of 18).
